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community and university
partners*



www.dhs.lacounty.gov

May 10, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AFFILIATION AGREEMENT WITH HARBOR-UCLA
FACULTY PRACTICE PLAN, A MEDICAL GROUP, INC.
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

Request approval to execute a new Affiliation Agreement with the Harbor-UCLA Faculty Practice Plan, A Medical Group, Inc. to train Harbor-UCLA Medical Center Nephrology Fellow physicians at DaVita Chronic Dialysis Center.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute an Agreement with the Harbor-UCLA Faculty Practice Plan, A Medical Group, Inc. (FPP), effective upon Board approval through June 30 of the following year and renewed annually, until termination by either party in writing on or before May 31 of any County fiscal year, or by 90 days' written notice by either party to the other, for the provision of training of Harbor-UCLA Medical Center (H-UCLA MC) Nephrology Fellow physicians (Fellows) by FPP attending physicians at DaVita Chronic Dialysis Center (DaVita), with no exchange of money between the parties.
2. Delegate authority to the Director, or his designee, to issue notice of termination, as and when appropriate, in accordance with the termination

provisions in the proposed Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute an agreement, substantially similar to Exhibit I, with FPP for the provision of training of H-UCLA MC Nephrology Fellows by FPP attending physicians at DaVita, a medical facility at which FPP has medical privileges. This will allow the Fellows to receive medical training toward the completion of their Fellowship program, and help ensure the ability of H-UCLA MC to retain accreditation of its Fellowship training program in Nephrology. The Nephrology fellowship program is a one-year program that provides medical training for up to six Fellows per year. No other training locations are currently available that would allow the Fellows to obtain the observational and practical experience necessary to complete their Fellowship training program.

Although your Board has delegated authority to the Department of Health Services (DHS) to enter into standard form Affiliation Agreements for Physicians in Postgraduate Training (PPG), the proposed Agreement has been modified to reflect the following differences from the standard form Agreement: 1) the training arrangement with FPP and DaVita does not strictly adhere to the standard training format in which the contractor owns and operates the facility at which the training will take place; 2) the training will always be unilateral with the County as the sending party; and 3) neither FPP nor DaVita will reimburse the County for the medical services provided by the Fellows incident to their training.

Approval of the proposed Agreement will also correct a situation in which Fellows have been receiving training at DaVita without the benefit of a Board-approved agreement. The proposed Agreement will formalize the existing Nephrology training program for the Fellows, and provide the necessary contractual protections to all involved parties providing and receiving services under the Agreement.

In 2008, the DHS Office of Clinical Affairs and Affiliations (OCAA) determined that training of Residents and Fellows was occurring at several sites without the requisite PPGs. In 2009, DHS and FPP negotiated the terms of the recommended Agreement. However, with the concurrence of DHS Audit and Compliance and the DHS Chief Medical Officer, it was decided to postpone action on the DaVita situation while investigation of the other Resident and Fellow training rotations without Board-approved agreements was being conducted. Due to the complexity of the issues involved, DHS has decided to go forward with action aimed at entering into an agreement with FPP for the training of County Nephrology Fellows at DaVita. DHS is continuing its discussions with the other training locations without similar agreements with the intent of convincing them to accept the Board-approved PPG form agreement or negotiate modified affiliation agreements, which would be submitted subsequently for approval by your Board.

Approval of the second recommendation will allow the Director, or his designee, to terminate the Agreement in accordance with the termination provisions of the proposed Agreement.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

There is no net County cost. Under the Agreement, there will be no monetary exchange between the parties.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

For a number of years, the County has entered into affiliation agreements with a variety of institutions. The agreements are intended to allow County Residents and Fellows to obtain essential observational and practical experience in their respective medical fields when such training is not available at any County facilities. These agreements also allow the Residents and Fellows of affiliating institutions to train at County facilities.

It is appropriate for the County to contract with FPP for the training of H-UCLA MC Fellows at DaVita. Physician staff of FPP have medical privileges at DaVita, and through such privileges, made an arrangement with DaVita to allow the training of the Fellows at that medical facility. DaVita is a licensed chronic dialysis facility and possesses the necessary physical plant, equipment, and available patients to permit thorough training of the Fellows toward the completion of their program requirements in Nephrology.

FPP will indemnify the County under the terms of the Agreement and provide professional liability coverage for the Fellows while they receive training at DaVita since the Fellows have received an extensive amount of training and are considered to be at a lower risk level. FPP will also ensure that any and all subcontractors performing services under the Agreement shall meet those same insurance requirements. The County's Risk Management office has approved the indemnification and insurance provisions of the Agreement.

County Counsel has approved the Agreement (Exhibit I) as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will formalize the existing Nephrology training program for County Fellows at H-UCLA MC, and provide the necessary contractual basis for future training of Nephrology Fellows.

The Honorable Board of Supervisors

5/10/2011

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Respectfully submitted,

A handwritten signature in black ink, reading "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:pps

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**AFFILIATION AGREEMENT
FOR PHYSICIANS IN POSTGRADUATE TRAINING**

**HARBOR-UCLA FACULTY PRACTICE PLAN,
A MEDICAL GROUP, INC.**

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Contract # _____

**AFFILIATION AGREEMENT
FOR PHYSICIANS IN POSTGRADUATE TRAINING**

THIS AGREEMENT is made and entered into this _____ day
of _____, 2011,

| | |
|----------------|--|
| by and between | COUNTY OF LOS ANGELES (hereafter "County"), |
| and | HARBOR-UCLA FACULTY PRACTICE PLAN, A MEDICAL GROUP, INC. (hereafter "Contractor"). |

WHEREAS, pursuant to California Health and Safety Code
Section 1441, County has established and operates, through its
Department of Health Services (hereafter "DHS"), Harbor-UCLA
Medical Center; and

WHEREAS, Contractor assigns its attending physicians, and
County Fellows, as defined herein below, to obtain medical
privileges at the DaVita Chronic Dialysis Center (hereafter
"DaVita") located at 2602 South Vermont Avenue, Torrance, CA
90502; and

WHEREAS, County operates physician postgraduate training
programs, and, as set forth in this Agreement, Contractor
participates in County's postgraduate training program; and

WHEREAS, Contractor and County have found it to be in their
mutual interest to provide an affiliation for Harbor-UCLA Medical
Center's physicians in postgraduate training in Nephrology
(hereafter "Fellow(s)"), because Harbor-UCLA Medical Center's

physician postgraduate training program does not possess sufficient or appropriate staff, facilities, or resources to properly train such Fellows, and Contractor has sufficient and appropriate staff, and has access to sufficient and appropriate facilities, and resources for such training; and

WHEREAS, Contractor has partnered with DaVita to allow the training of Fellows at DaVita under the supervision and training of Contractor's attending physicians; and

WHEREAS, it is the purpose of this Agreement to provide for the training of Fellows in Nephrology for purposes of benefiting Harbor-UCLA Medical Center's physician postgraduate training programs in Nephrology by providing Fellows with specialized training by Contractor at DaVita and improving the patient care provided to patients at DaVita by receiving valuable medical services from Fellows incident to such specialized training hereunder; and

WHEREAS, this Agreement is authorized by California Government Code Section 26227 and otherwise;

NOW, THEREFORE, Contractor and County agree as follows:

1. TERM: The term of this Agreement shall commence on the date first hereinabove written and shall continue in full force and effect through the next following June 30. This Agreement shall thereafter be automatically renewed for successive one-year periods without further action by the parties hereto unless the desire of either party to terminate this Agreement is given in

writing to the other party on or before May 31 of any County fiscal year (July 1 through June 30) in which this Agreement is in effect. In any event, either party may at any time terminate this Agreement for any reason by giving at least ninety (90) days' written notice to the other party. In the event of any interruption of either party's operations by war, fire, insurrection, labor troubles, riots, the natural elements, acts of God, or, without limiting the foregoing, any other cause beyond either party's control which substantially interferes with such party's ability to fulfill any obligation under this Agreement, such party shall immediately inform the other party and this Agreement may be terminated immediately by either party by giving written notice to the other party. In the event DaVita loses its accreditation by The Joint Commission or other applicable accrediting organization, Contractor shall immediately inform County and this Agreement may be terminated immediately by County giving written notice to the Contractor. Additional termination provisions are found in Paragraphs 21 (Audit Reports), 25 (Reimbursement Program Changes), and 31 (County's Obligation for Future Fiscal Years).

2. ADMINISTRATION: The Director of DHS, or his authorized designee (hereafter collectively "Director"), shall have the authority to administer and monitor this Agreement on behalf of County. Contractor shall designate in writing a person who shall have the authority to administer this Agreement on behalf of

Contractor. Director and Contractor may, in writing, agree from time to time among themselves regarding the policies and procedures necessary to implement and otherwise carry out the purposes of this Agreement and shall provide copies of such writings to each other in accordance with Paragraph 39 (Notices). Such policies and procedures shall include, but are not limited to:

A. Procedures to implement Paragraph 3 (Notification of Training Programs).

B. Policies regarding Fellow training hours.

C. Policies regarding the certification of successful completion of a Fellow's training, and the parties' rights and/or obligations as to submitting explanatory statements to the Accreditation Council or other applicable accrediting body and Graduate Medical Education, if applicable.

D. Policies regarding the availability of each party's services, and services at DaVita, as arranged by Contractor (e.g., laundry, telephone, etc.), to Fellows.

3. NOTIFICATION OF TRAINING PROGRAMS: County shall periodically notify Contractor of its available postgraduate training positions and any prerequisites applicable to Fellows who may be sent for training thereunder. Such notification shall include information as to the accreditation status of each such training program with available positions.

4. SELECTION OF FELLOWS: County shall select each participating Fellow who shall meet all criteria established by Contractor. County's records regarding the education, training, and licensing of any participating Fellow shall be furnished to Contractor upon request, provided that such Fellow authorizes, in writing, such a release of records. Neither party shall send or receive any Fellow without the prior written consent of both Director and Contractor, and such consent may be withheld by either Director or Contractor because of, among other reasons, such Fellow's failure to authorize the release of County's records.

5. FELLOW HEALTH EXAMINATIONS: County shall certify in writing that each Fellow selected for participation is in good health, as evidenced by a complete health examination, including, but not limited to, immunization against communicable diseases, which is satisfactory to Contractor and which is provided by County at no cost to Contractor.

County shall certify in the same manner the satisfactory health status of any Fellow after any absence of such Fellow from participation in the training program at DaVita caused by injury or illness before such Fellow recommences participation in such training program.

6. TRAINING AND SUPERVISION: Depending on the availability of DaVita as a training site, Contractor shall provide training and supervision of Fellows at DaVita. Such Fellows shall perform

physician services incident thereto for the benefit of the patients at DaVita and in a manner consistent with the normal Fellow training practices of Contractor's training program.

7. EMERGENCY HEALTH CARE SERVICES FOR FELLOWS: Contractor shall provide or summon emergency health services as required to Fellows when such Fellows are injured or become ill while on the premises of DaVita pursuant to this Agreement but shall not be responsible for the provision or summoning of such services for any injury or illness not occurring during such time. To the extent that County or such Fellows have medical insurance, workers' compensation, or other coverage which will pay for such services, Contractor shall be entitled to bill and collect payment for all services rendered pursuant to this Paragraph 7.

8. RESTRICTION, TERMINATION, AND CERTIFICATION OF FELLOW TRAINING:

A. Restriction: Contractor may impose restrictions (e.g., suspension from training program, requirement of supervision, limitation of clinical activities, etc.) on the training of any Fellows while training at DaVita by giving written notice of the nature and duration of such restriction to County. Contractor shall send written reasons for such training restriction to County within ten days after the date any such restriction is imposed. The requirement of written notice and written reasons described in this Subparagraph A shall not limit the right of

Contractor to impose immediate restrictions upon the clinical activities of such Fellows when required in the interests of patient care.

B. Termination: Contractor may terminate the training of any Fellows by giving written notice of such termination to County. Contractor shall send written reason for such termination to County within thirty days after the date of termination.

C. Certification of Training Completion: Contractor shall have the right to refuse to certify that a Fellow has successfully completed Contractor's training program. All certifications of successful completion of training programs and all refusals of such certifications shall be done in accordance with any policies and procedures regarding certification agreed upon pursuant to Paragraph 2 (Administration).

D. Procedures for Fellow Disputes: Resolution of any dispute by any Fellows against County or Contractor as a result of any action taken by County or Contractor under Subparagraphs A, B, or C above or otherwise, shall be the sole responsibility of County and shall be in accordance with the policies and procedures, if any, established by County. Upon written request of County, Contractor shall cooperate and assist in such resolution by providing non-

confidential records or information pertinent to such dispute and otherwise as appropriate and necessary.

9. LICENSES, PERMITS, REGISTRATIONS, AND CERTIFICATES:

Prior to sending any Fellow to Contractor, County shall determine that such Fellow obtains all appropriate and necessary licenses, permits, registrations, and certificates provided for under Federal, State, and local law. County shall also ensure that each such Fellow maintains all such licenses, permits, registrations, and certificates in effect during such Fellow's affiliation with Contractor at DaVita.

10. NONDISCRIMINATION IN SERVICES AND EMPLOYMENT: Contractor shall not discriminate in the provision of services hereunder because of race, religion, national origin, ancestry, sex, age, or physical or mental disability, marital status or political affiliation, in accordance with all applicable requirements of Federal and State law. Contractor's employment practices and policies shall also meet all applicable Federal and State nondiscrimination requirements. This Agreement is exempt from the provisions of Chapter 4.32 of the Los Angeles County Code, pursuant to Section 4.32.040(D) thereof.

11. FELLOW COMPENSATION: Each Fellow, during his or her affiliation with Contractor at DaVita, shall receive his or her regular compensation (including all salary and other compensation and fringe benefits, except as otherwise expressly provided by other provisions of this Agreement) from County.

12. BILLING AND PAYMENT: Except as otherwise specifically stated in this Agreement, no payments shall be made by either party to the other.

13. INDEPENDENT CONTRACTOR STATUS: This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. County understands and agrees that all persons furnishing services to Contractor and DaVita pursuant to this Agreement are, for purposes of workers' compensation liability, employees solely of County and not of Contractor or DaVita. County shall bear the sole responsibility and liability for furnishing workers' compensation benefits to its employees for injuries arising from or connected with this Agreement.

14. WORKERS' COMPENSATION: Contractor and County shall maintain a policy of workers' compensation insurance, in an amount and form to meet all applicable requirements of the California Labor Code or be self-insured with respect to such workers' compensation liability, in accordance with the law.

15. INDEMNIFICATION: The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents, and Fellows, from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with

the acts and/or omissions of Fellows under Contractor's training and supervision arising from and/or relating to this Agreement.

16. GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE: Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain, at its own expense insurance coverage satisfying the requirements specified in Paragraphs 16 and 17 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other Contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

A. Evidence of Coverage and Notice to County:

Certificate(s) of Insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) have been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.

Renewal Certificates shall be provided to County not less than ten (10) days prior to Contractor's policy

expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.

Certificates shall indentify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding Fifty Thousand Dollars (\$50,000.00), and list any County required endorsement forms.

Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division

313 N. Figueroa Street, 6 Floor East
Los Angeles, CA 90012
Attention: Director, Contract Administration &
Monitoring

AND

County of Los Angeles
Department of Health Services
Centralized Contract Monitoring Division
5555 Ferguson Drive, Suite 210
Commerce, CA 90022

Contractor also shall promptly report to County any injury or property damage accident or incident, including an injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

B. Additional Insured Status and Scope of Coverage:

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and

defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

C. Cancellation of Insurance: Except in the case of cancellation for non-payment of premium, Contractor's insurance policies shall provide, and Certificates shall specify, that County shall receive not less than thirty (30) days advance written notice by mail of any cancellation of the Required Insurance. Ten (10) days prior notice may be given to County in event of cancellation for non-payment of premium.

D. Failure to Maintain Insurance: Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach.

E. Insurer Financial Ratings: Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

F. Contractor's Insurance Shall Be Primary: Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

G. Waivers of Subrogation: To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

H. Sub-Contractor Insurance Coverage Requirements: Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the

Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

I. Deductibles and Self-Insured Retentions (SIRs):

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

J. Claims Made Coverage: If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

K. Application of Excess Liability Coverage:

Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as

("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

L. Separation of Insureds: All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

M. Alternative Risk Financing Programs: The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

N. County Review and Approval of Insurance Requirements: The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

17. INSURANCE COVERAGE:

A. Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

| | |
|--------------------|-------------|
| General Aggregate: | \$2 Million |
|--------------------|-------------|

| | |
|--|-------------|
| Products/Completed Operations Aggregate: | \$1 Million |
| Personal and Advertising Injury: | \$1 Million |
| Each Occurrence: | \$1 Million |

B. Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 Million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

C. Workers Compensation and Employer's Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to

satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

D. Professional Liability/Errors and Omissions insurance covering Contractor's liability arising from or related to any error, omission, negligent or wrongful act of Contractor, its officers or employees, and Fellows as the term is used in this Agreement, with limits of not less than \$1 Million per claim and \$3 Million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination, or cancellation.

18. EMPLOYER OBLIGATIONS: Contractor shall not be, or be construed to be, the employer of Fellows for any purpose whatsoever. County shall be solely liable and responsible for all employer obligations, if any, with respect to such Fellows. Such obligations shall include, but are not limited to: payment of salary and all other compensation and fringe benefits; responsibility for Federal and State withholding taxes and Social Security taxes; compliance with and responsibility for all applicable Federal and State wage/hour obligations; unemployment benefits; disability benefits; and all other applicable taxes, benefits, and contributions to employment-related insurance and similar programs. In the event that Contractor is for any reason required to pay any such obligations, County shall reimburse

Contractor for any and all amounts paid by Contractor to meet such obligations.

19. STATUS OF FELLOWS: Notwithstanding any other provision of this Agreement, the parties agree that each Fellow shall at all times remain the Fellow of County. In this connection, and except as otherwise provided in Paragraph 8 (Restriction, Termination, and Certification of Fellow Training), Subparagraph D (Procedures for Fellow Disputes), Fellows shall at all times be subject to County's administrative rules, regulations, and benefits, including disciplinary actions, vacation, sick leave, health insurance, and all other rights applicable to County's employees. Each Fellow shall, however, be expected to comply with all rules, regulations, and standards of Contractor and DaVita, as communicated to Fellows by Contractor or DaVita, unless specifically in conflict, as mutually agreed by County and Contractor, with those to which he or she is subject under his or her contract or agreement of employment with County. The parties shall cooperate to acquaint Fellows with the rules and regulations of Contractor and DaVita.

20. RECORDS: All records of each party in any way concerning the performance of this Agreement shall be available during normal business hours for inspections and audit by the other party and shall be maintained at a location in Southern California. Such records shall include, but are not limited to:

A. Daily account of the number of person-hours spent by Fellows at DaVita (e.g., Fellow timecards).

B. Fellow's signature and Fellow's supervisor's signature on each Fellow timecard or other documentation evidencing Fellow's time spent at DaVita.

C. Monthly summaries of:

(1) The name of each Fellow involved in training during the particular calendar month.

(2) The postgraduate year of training of each such Fellow during the training.

(3) The total number of person-hours each such Fellow spent at DaVita during the training.

D. Documentation to support each Fellow's salary and all other compensation and fringe benefits which were in effect during each calendar month of such training.

21. AUDIT REPORTS: In the event that an audit is conducted of Contractor, or DaVita, by a Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, and such audit results in a final report which contains information or conclusions relating to Contractor's performance of this Agreement, Contractor shall file a copy of any such audit report, or such portion thereof which is adequate to fully disclose such information or conclusions, with County's Department of Auditor-Controller within thirty (30) days after receipt thereof. County shall make a reasonable effort to

maintain the confidentiality of any such audit report. Failure of Contractor to comply with the provisions of this Paragraph 21 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

22. COUNTY AUDIT SETTLEMENTS: If, at any time during the term of this Agreement or at any time after the expiration or prior termination of this Agreement, representatives of County conduct an audit of Contractor regarding this Agreement and if such audit finds that County's dollar liability hereunder is less than payments made by County to Contractor, then the difference shall be either repaid by Contractor to County by cash payment upon demand or, at Director's option, deducted from any amounts due to Contractor from County. If such audit finds that County's dollar liability hereunder is more than payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment.

23. UNLAWFUL SOLICITATION: Contractor shall inform all of its employees and DaVita of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees or by DaVita. Contractor agrees to utilize the attorney referral services of all those bar

associations within the County of Los Angeles that have such a service.

24. INFORMATION FOR THIRD-PARTY PAYERS:

A. Reports: Each party shall provide assistance to the other party with respect to the provision of financial and other information as may be required by the other party in preparation of cost and other financial reports required by the California Office of Statewide Health Planning and Development, the California Department of Health Services, the Medicare and Medi-Cal intermediaries, and other carriers or other third-party payers requesting such information. The party requesting such assistance shall reimburse the other party for the cost of such assistance as reasonably determined or approved by County.

B. Federal Access to Records: If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable, the parties agree that for a period of five (5) years following the furnishing of services under this Agreement, each party shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services, to the Comptroller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents and records of the party which are necessary to verify the nature and

extent of the cost of services provided hereunder. Further, if either party carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), such party agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

C. Rights of the Parties: This Paragraph 24 pertains solely to the maintenance and disclosure of specified records and shall have no effect on the right of the parties to make assignments.

25. REIMBURSEMENT PROGRAM CHANGES: Either party may terminate this Agreement upon sixty (60) days written notice to the other party if compliance with the provisions of this Agreement has any significant adverse effect, as determined in the sole discretion of the party providing such notice, on the reimbursement available to such party from any reimbursement program, whether public or private, resulting from any changes which may occur in the Medi-Cal program, the Medicare program, and/or other public or private health and/or hospital care insurance programs or policies in which a significant number of patients receiving medical services incident to this Agreement are enrolled and which affect coverage, payment, or other aspects

of such programs or policies. The party providing such notice shall indicate such change and the basis upon which it has determined that such a significant adverse effect will result. In any case where such notice is provided, both parties shall negotiate in good faith during such sixty (60) day period in an effort to develop a revised Agreement, which, to the extent reasonably practicable under the circumstances, will adequately protect the interests of both parties in light of the governmental or other program or policy changes which constituted the basis for the exercise of the termination provision of this Paragraph 25.

26. CONFIDENTIALITY: Each party shall maintain the confidentiality of all records, including, but not limited to, patient records, in accordance with all applicable Federal, State and local laws, ordinances, regulations, rules, and directives, relating to confidentiality. Contractor shall inform all of its employees who may participate in this Agreement and DaVita of the confidentiality provisions of this Agreement.

27. COMPLIANCE WITH HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996: The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA"). Contractor understands and agrees that, as a provider of medical treatment services, it is a "covered entity" under HIPAA and, as such, has obligations with respect to the confidentiality,

privacy and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, and the use of appropriate consents and authorizations specified under HIPAA.

The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on Contractor's behalf. Affiliate has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor's obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

Contractor and County understand and agree that each is independently responsible for HIPAA compliance and agree to take all necessary and reasonable actions to comply with the requirements of the HIPAA law and implementing regulations related to transactions and code sets, privacy, and security. Each party further agrees to indemnify and hold harmless the

other party (including their officers, employees, and agents), for its failure to comply with HIPAA.

28. FELLOW AGREEMENTS: County may require its Fellows to execute the agreement attached hereto as Exhibit A, or any similar agreement, as a condition for participation in any training hereunder.

29. QUALITY OF CARE REVIEW: The parties agree to cooperate to the extent reasonably necessary and practicable in coordinating quality of care review activities relating to any service provided by any Fellow trained hereunder.

30. THIRD PARTIES: The parties understand and agree that this Agreement establishes an affiliation between the parties hereto only for the purpose of benefiting the parties' training programs by providing Fellows with specialized training and improving the parties' patient care by receiving valuable physician services from Fellows incident to such specialized training hereunder and that this Agreement is not intended, and shall not be construed, as providing any rights to, or expanding any rights of, any third party, including, but not limited to, any Fellow.

31. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS:
Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future

fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last County fiscal year for which funds were appropriated. County shall notify Contractor in writing of such non-allocation of funds at the earliest possible date.

32. COMPLIANCE WITH APPLICABLE LAW:

A. Each party shall comply with all Federal, State, and local laws, ordinances, regulations, rules, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

B. Each party shall indemnify and hold harmless the other party from and against any and all loss, damage, liability or expense resulting from any violation on the part of the indemnifying party, its officers, employees, or agents, of such Federal, State or local laws, ordinances, regulations, rules, or directives.

33. GOVERNING LAW, JURISDICTION AND VENUE: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further

agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California.

34. AUTHORIZATION WARRANTY: Contractor hereby represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation set forth in this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

35. DELEGATION AND ASSIGNMENT: Neither party shall delegate its duties nor assign its rights hereunder, nor both, either in whole or in part, without the prior written consent of the other party, and any prohibited delegation or assignment shall be null and void.

36. ALTERATION OF TERMS: The body of this Agreement and Exhibit A, attached hereto and incorporated herein by reference, fully express all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees, or agents, shall be valid and effective unless made in the form of a written amendment which is formally adopted and executed by the parties in the same manner as this Agreement.

37. FAIR LABOR STANDARDS ACT: Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards

Act, and shall indemnify, defend, and hold harmless County, its agents, officers and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated, damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Contractor's employees for which County may be found jointly or solely liable.

38. EMPLOYMENT ELIGIBILITY VERIFICATION: Contractor warrants that it and DaVita fully comply with all statutes and regulations regarding the employment of aliens and others, and that all persons performing services under this Agreement are eligible for employment in the United States. Contractor represents that it has secured and retained all required documentation verifying employment eligibility of its personnel and the personnel of DaVita. Contractor shall secure and retain verification of employment eligibility from any new personnel in accordance with applicable law. Contractor shall indemnify, defend, and hold County harmless from any employer sanctions or other liability which may be assessed against Contractor and DaVita or County by reason of Contractor's failure to comply with the foregoing.

39. NOTICES: Notices hereunder shall be in writing and shall be personally delivered or mailed by certified or registered mail, postage prepaid, return receipt requested, to

the parties at the following addresses and to the attention of the persons named. Director shall have the authority to issue all notices which are required or permitted by County hereunder. Addresses and persons to be notified may be changed by either party by giving ten (10) days prior written notice thereof to the other party.

To Contractor: (1) Harbor-UCLA Faculty Practice Plan,
A Medical Group, Inc.
Harbor-UCLA Medical Center
1000 W. Carson Street
Torrance, California 90509
Attention: Mack Oliver, CEO

(2) _____

Attention: _____

To County: (1) Department of Health Services
Clinical Affairs and Affiliations
313 North Figueroa Street, Room 908
Los Angeles, California 90012
Attention: Chief Medical Officer

(2) Department of Health Services
Contract and Grants Division
313 North Figueroa Street
Los Angeles, CA 90012
Attention: Division Chief

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by the

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County's Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

HARBOR-UCLA FACULTY PRACTICE PLAN,
A MEDICAL GROUP, INC.

Contractor

By _____
Signature

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

EXHIBIT A

AGREEMENT REGARDING PARTICIPATION IN AFFILIATED TRAINING PROGRAM

In consideration of my eligibility to participate in affiliated physician postgraduate training programs established by Harbor-UCLA Medical Center and other area health facilities or organizations with residency training, I, _____, hereby agree and consent to the following:

I acknowledge and agree that I will adhere to all policies, procedures, rules and regulations of any health facility in which I may receive training during my participation in such a training program. I agree to be bound by the procedures, if any, established by Harbor-UCLA Medical Center to resolve any disputes, including disciplinary actions, between myself and Harbor-UCLA Medical Center or any other health facility in which I may receive training pursuant to such a training program.

I acknowledge and agree that Contractor and any health facility in which I may receive training pursuant to such a training program shall have the right to restrict or terminate my participation in such training program and/or to refuse to certify that I have successfully completed such training program. I understand that any such restriction, termination or refusal to certify shall be based upon my actions and performance during such a training program and shall be taken in accordance with any

and all relevant policies and procedures of such training program.

I authorize Harbor-UCLA Medical Center and any other health facility in which I may receive training pursuant to such a training program to consult at any time with the administration and members of the faculty of any health facility or other medical educational institution with which I have been associated who may have information bearing on my professional competence, character, physical and mental health status, ethics, and other qualifications, as may reasonably be related to eligibility to perform services in such training health facilities. I hereby consent to a review of qualifications, as may reasonably be related to my eligibility to perform services in such training health facilities. I hereby further consent to the release by the administration to such other health facilities of such records and documents relating to my education and training at Harbor-UCLA Medical Center as may be material to an evaluation of my professional qualifications and competence for satisfactory participation in any such health facilities' medical educational programs pursuant to such a training program. I hereby release from liability all representatives of Harbor-UCLA Medical Center and other health facilities in which I may receive training hereunder, including their respective Professional Staffs and staff representatives, for their acts performed in good faith and without malice as an incident to any communication, action,

proceeding, or review undertaken pursuant to this Agreement or otherwise related to my participation in such a training program.

I further expressly agree that the above releases shall apply to any act, communication, report, recommendation, or disclosure; and with respect to the named parties in whose favor such releases are given, are intended to and shall include all their officer, employees, and agents; and that, in addition to the above specific releases, such parties shall be entitled, to the fullest extent permitted by law, to absolute immunity from liability arising from any such act, communication, report, recommendation, or other disclosure. In furtherance of the foregoing, I agree that, upon request of Harbor-UCLA Medical Center or any other health facility to which I may be assigned under such a training program, I will execute releases in accordance with the tenor and import of this Agreement in favor of any individual or organization specified herein.

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I UNDERSTAND THAT MY EXECUTION OF THIS AGREEMENT INDICATES
THAT I HAVE READ, UNDERSTOOD, AND AGREED TO BE BOUND BY THE
FOREGOING AND BY ANY AND ALL PROVISIONS OF CALIFORNIA LAW
APPLICABLE TO THE SUBJECT MATTER ADDRESSED HEREIN.

SIGNATURE: _____

PRINTED NAME: _____

DATE: _____